



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Aubrey L. Layne, Jr.
Chairman

1401 East Broad Street - Policy Division - CTB Section - #1106
Richmond, Virginia 23219

(804) 786-1830
Fax: (804) 225-4700

Agenda item # New Business I

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

May 18, 2016

MOTION

**Made By: Mr. Garczynski, Seconded By: Mr. Williams
Action: Motion Carried, Unanimously**

**Title: Action on Revised Fiscal Year 2016 Annual Budget
Commonwealth Transportation Fund and Department of Transportation**

WHEREAS, Section 33.2-358 (B) of the *Code of Virginia*, requires the Board to allocate each year from all funds made available for highway purposes such amount as it deems reasonable and necessary for the maintenance of roads within the interstate system of highways, the primary system of state highways, the secondary system of state highways and for city and town street maintenance payments made pursuant to § 33.2-319 and payments made to counties which have withdrawn or elect to withdraw from the secondary system of state highways pursuant to § 33.2-366; and

WHEREAS, the Commonwealth Transportation Board adopted budgets for the Commonwealth Transportation Fund (CTF) and the Department of Transportation for Fiscal Year 2016 on June 17, 2015 (Fiscal Year 2016 budgets), providing funding for, among other things, VDOT's maintenance program; and

WHEREAS, since the Fiscal Year 2016 budgets were approved, the Commonwealth experienced several significant snow events that led to snow removal costs far greater than could have been foreseen; and

WHEREAS, the Department of Transportation has identified additional current year revenues dedicated to the Highway Maintenance and Operating Fund that can be made available to the maintenance program in FY 2016 to help offset the increased snow removal costs incurred

Resolution of the Board
Revised Fiscal Year 2016 Annual Budget – Commonwealth Transportation Fund and
Department of Transportation
May 18, 2016
Page Two

responding to this year's winter events, in lieu of being allocated in FY 2017, which, in turn, would prevent the delay of scheduled FY 2016 maintenance and operations activities to FY 2017.

NOW, THEREFORE BE IT RESOLVED by the Commonwealth Transportation Board that the revised budgets for the CTF and the Department of Transportation for Fiscal Year 2016, as attached hereto, are approved in order to provide additional funds to the maintenance program to help address snow related expenditures and prevent the delay of scheduled maintenance and operations activities.

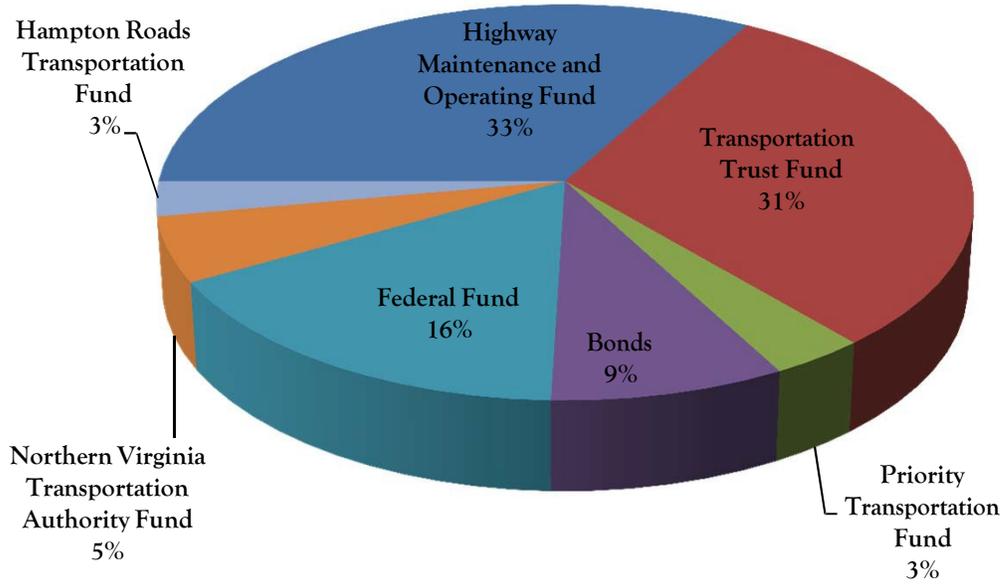
###



The Revised Fiscal Year 2016 budget for the Commonwealth Transportation Fund (CTF) identifies the estimated revenues and the distribution of the revenues to the related transportation agencies and programs. It is based on the most recent official state revenue forecast from March 2015, additional revenue realized in 2016 and estimated federal funding. The Revised CTF Budget for FY 2016 totals \$5,923,610,405, a .6% increase from the FY 2016 Budget of \$5,893,610,405. The growth over the previous year is driven by planned allocation of additional state revenue available for use in 2016, to be allocated for the Maintenance Program.

The CTF receives revenues from dedicated state and federal sources. The major state revenues are based on Virginia's official revenue forecast developed by the Department of Taxation. The federal revenues from the Federal Highway Administration and the Federal Transit Administration are estimated by the Virginia Department of Transportation (VDOT) and the Virginia Department of Rail and Public Transportation (DRPT). Revenues provided are also from funds collected for regional transportation improvements in Northern Virginia and Hampton Roads. These funds are dedicated to the efforts of the Northern Virginia Transportation Authority and the Hampton Roads Transportation Accountability Commission.

Commonwealth Transportation Fund
Total Revenues Revised FY 2016

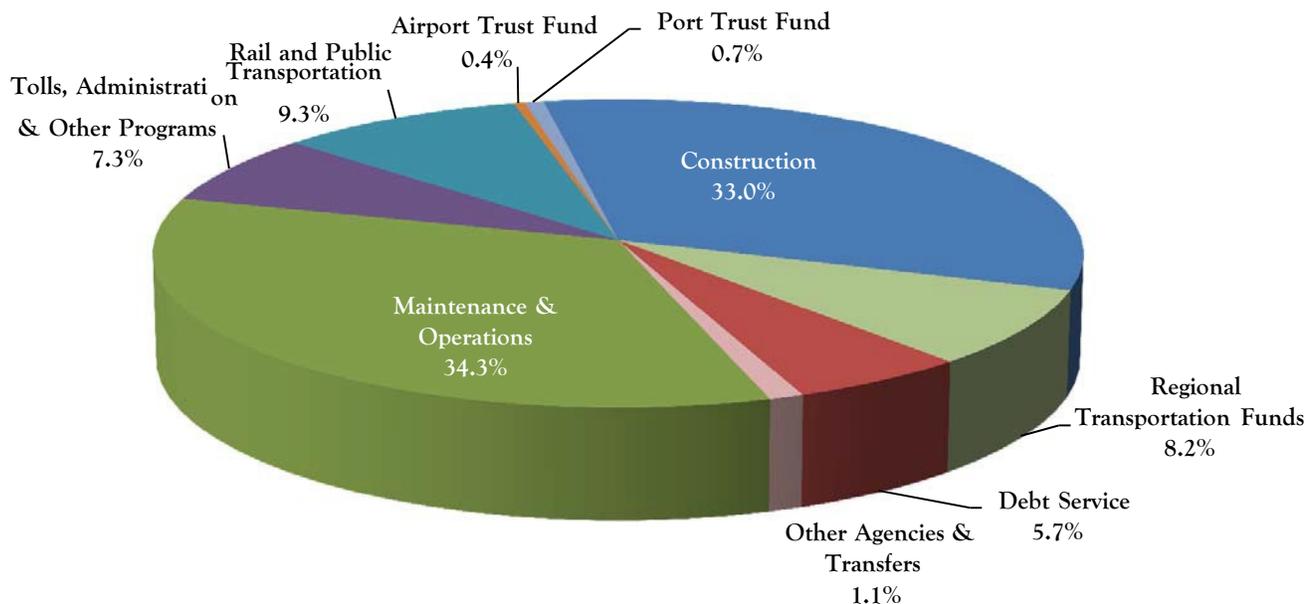


Highway Maintenance and Operating Fund	\$1,964,352,594
Transportation Trust Fund	1,808,863,954
Priority Transportation Fund	200,642,261
Bonds	497,900,000
Federal Fund	968,327,442
Total Operating Revenues	\$5,440,086,251
Pass Through Revenues	
Northern Virginia Transportation Authority Fund	314,881,245
Hampton Roads Transportation Fund	168,642,909
Subtotal	483,524,154
TOTAL	\$5,923,610,405



The revenues are dedicated to specific funds within the CTF. The revenues for the Highway Maintenance and Operating Fund (HMOF) support highway maintenance, operations and administration. The Priority Transportation Fund (PTF) revenues are dedicated to debt service on the Federal Highway Reimbursement Anticipation Notes (FRANs) and the Commonwealth of Virginia Transportation Capital Projects Revenue Bonds. Federal revenues are used for their defined purposes to support construction, maintenance or transit.

The Transportation Trust Fund revenues are distributed by formula, as defined by the Code of Virginia, to the Construction Fund, the Mass Transit Fund, the Airport Fund and the Port Fund. The 78.7% distributed to the Construction Fund is managed by VDOT. The 14.7% provided to the Mass Transit Fund supports transit operations, capital and special programs and is managed by the DRPT. The Airport Fund's 2.4% is provided to the Aviation Board and the 4.2% to the Port Fund is managed by the Virginia Port Authority.



Debt Service	\$337,724,774
Other Agencies & Transfers	65,541,844
Maintenance & Operations	2,031,331,225
Tolls, Administration & Other Programs	432,369,599
Rail and Public Transportation	553,112,593
Airport Trust Fund	24,340,917
Port Trust Fund	42,913,251
Construction	1,952,752,048
Total Operating Programs	\$5,440,086,251
Pass Through Programs	
Regional Transportation Funds	483,524,154
TOTAL RECOMMENDED DISTRIBUTIONS	\$5,923,610,405



STATE REVENUE SOURCES	FY 2016	REVISED FY 2016	INCREASE (DECREASE)
Highway Maintenance & Operating Fund (HMOF)			
State Revenue	\$1,919,495,563	\$1,949,495,563	\$30,000,000 ¹
Other	14,857,031	14,857,031	-
Total HMOF	1,934,352,594	1,964,352,594	30,000,000
Transportation Trust Fund (TTF)			
Revenue Available for Modal Distribution	1,005,000,000	1,005,000,000	-
Interest Earnings	6,837,491	6,837,491	-
Toll Facilities	31,728,350	31,728,350	-
Local Revenue Sources	238,042,244	238,042,244	-
Project Participation - Regional Entities	234,203,705	234,203,705	-
CPR Bonds	122,900,000	122,900,000	-
GARVEE Bonds	375,000,000	375,000,000	-
Other Trust Fund Revenue	293,052,164	293,052,164	-
Other Trust Fund Revenue	2,306,763,954	2,306,763,954	-
Priority Transportation Fund (PTF)			
State Revenue	200,642,261	200,642,261	-
Other	-	-	-
Total PTF	200,642,261	200,642,261	-
Regional Transportation Funds			
State Revenue	483,524,154	483,524,154	-
Total Regional Transportation Funds	483,524,154	483,524,154	-
TOTAL STATE REVENUES	4,925,282,963	4,955,282,963	30,000,000
Federal Funding Sources			
Federal Highway Administration (FHWA)	934,043,960	934,043,960	-
Federal Transit Administration (FTA)	34,283,482	34,283,482	-
Total Federal Funding	968,327,442	968,327,442	-
TOTAL COMMONWEALTH TRANSPORTATION FUNDS	\$5,893,610,405	\$5,923,610,405	\$30,000,000



DISTRIBUTION OF REVENUE SOURCES	FY 2016	REVISED FY 2016	INCREASE (DECREASE)
Debt Service			
Toll Facilities Debt	\$3,185,850	\$3,185,850	\$ -
Northern Virginia Transportation District	32,362,697	32,362,697	-
Oak Grove Connector	2,229,250	2,229,250	-
Route 28	7,212,819	7,212,819	-
Route 58	48,723,700	48,723,700	-
GARVEE Bonds	64,240,338	64,240,338	-
FRANs	7,925,392	7,925,392	-
CPR Bonds	147,303,405	147,303,405	-
Other	24,541,323	24,541,323	-
Total Debt Service	337,724,774	337,724,774	-
Other Agencies & Transfers			
Trust Fund Management	2,950,964	2,950,964	-
Support to Other State Agencies (excludes DRPT)	58,741,439	58,741,439	-
Indirect Costs	3,849,441	3,849,441	-
Total State Agencies	65,541,844	65,541,844	-
Maintenance & Operations			
Highway System Maintenance	1,573,950,444	1,603,950,444	30,000,000 ²
Financial Assist. to Localities for Ground Trans. - Cities	362,850,362	362,850,362	-
Financial Assist. to Localities for Ground Trans. - Counties	64,530,419	64,530,419	-
Total Maintenance & Operations	2,001,331,225	2,031,331,225	30,000,000
Tolls, Administration & Other Programs			
Ground Transportation System Planning & Research	57,815,730	57,815,730	-
Environmental Monitoring & Compliance	13,170,831	13,170,831	-
Administrative & Support Services	258,127,173	258,127,173	-
Program Management & Direction	26,122,682	26,122,682	-
Toll Facilities Operations	13,492,500	13,492,500	-
Toll Facility Revolving Account	24,550,000	24,550,000	-
Capital Outlay	39,090,683	39,090,683	-
Grant and Loan Programs	6,536,866	6,536,866	-
Total Tolls, Administration & Other Programs	438,906,465	438,906,465	-



DISTRIBUTION OF REVENUE SOURCES	FY 2016	REVISED FY 2016	INCREASE (DECREASE)
Transit and Rail Funds			
Share of Modal Distribution (14.7%)	\$147,178,073	\$147,178,073	\$ -
Transit	84,400,000	84,400,000	-
Surface Transportation Program	25,731,868	25,731,868	-
Federal Transit Authority (FTA)	34,283,482	34,283,482	-
CMAQ (without State Match)	906,199	906,199	-
STP Regional (without State Match)	0	-	-
NHPP Statewide with Soft Match	10,008,017	10,008,017	-
NHPP Exempt with Soft Match	2,048,465	2,048,465	-
STP Statewide with Soft Match	-	-	-
Rail Fund	28,200,000	28,200,000	-
Interest Earnings	1,030,000	1,030,000	-
Metro Matters	50,000,000	50,000,000	-
Transit Capital Bonds	60,000,000	60,000,000	-
Rail Bonds	12,900,000	12,900,000	-
Recordation Taxes for Transit Operating	25,200,000	25,200,000	-
Intercity Passenger Rail Operating and Capital Fund (IPROC)	56,200,000	56,200,000	-
Mass Transit Fund-Support from	14,171,199	14,171,199	-
Other	855,290	855,290	-
Subtotal Mass Transit Fund-Direct Support	553,112,593	553,112,593	-
Airport Trust Fund			
Share of Modal Distribution (2.4%)	24,029,073	24,029,073	-
Interest Earnings	311,844	311,844	-
Total Airport Trust Fund	24,340,917	24,340,917	-
Port Trust Fund			
Share of Modal Distribution (4.2%)	42,050,879	42,050,879	-
Interest Earnings	862,372	862,372	-
CMAQ	-	-	-
Ports Fund-Support from Construction	-	-	-
Total Port Trust Fund	42,913,251	42,913,251	-



DISTRIBUTION OF REVENUE SOURCES	FY 2016	REVISED FY 2016	INCREASE (DECREASE)
Regional Transportation Programs			
Northern Virginia Transportation Authority Fund	\$314,881,245	\$314,881,245	\$ -
Hampton Roads Transportation Authority Fund	168,642,909	168,642,909	-
Total Regional Transportation Programs	483,524,154	483,524,154	-

Construction			
Dedicated and Statewide Construction	1,061,290,643	1,061,290,643	-
Financial Assistance to Localities for Ground Transportation	13,002,204	13,002,204	-
Interstate System	243,488,438	243,488,438	-
Primary System	432,865,588	432,865,588	-
Secondary System	120,439,816	120,439,816	-
Urban System	75,128,493	75,128,493	-
Total Construction	1,946,215,182	1,946,215,182	-

DISTRIBUTION OF COMMONWEALTH TRANSPORTATION FUNDS	\$5,893,610,405	\$5,923,610,405	\$30,000,000
--	------------------------	------------------------	---------------------

Agency Funding Summary:			
VDOT	\$5,287,414,843	\$5,317,414,843	\$ 30,000,000
Less Support to Ports	0	-	-
Less Support to DRPT	(14,171,199)	(14,171,199)	-
VDOT (Net)	5,273,243,644	5,303,243,644	30,000,000
Support to Other Agencies & General Fund	0	-	-
DRPT	553,112,593	553,112,593	-
Ports	42,913,251	42,913,251	-
Aviation	24,340,917	24,340,917	-
Grand Total	\$5,893,610,405	\$5,923,610,405	\$ 30,000,000

Endnotes

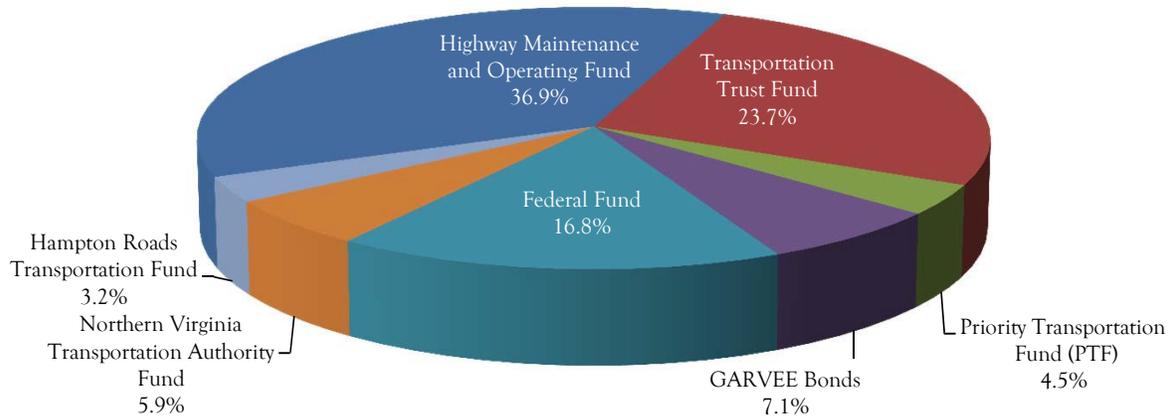
Endnote Number	Description
1	Reflects additional revenue available in FY 2016.
2	Allocation of additional FY 2016 revenue available to the Maintenance Program.

The Revised Fiscal Year 2016 (FY 2016) budget for the Virginia Department of Transportation (VDOT) identifies the estimated revenues and the distribution of the revenues to the related transportation programs. It is based on the most recent official state revenue forecast from March 2015, additional revenue made available in 2016 and estimated federal funding. The Revised VDOT Budget for FY 2016 totals \$5,317,414,843, a 0.6% increase from the FY 2016 Budget of \$5,287,414,843. The growth over the previous year is driven by planned allocation of additional state revenue available for use in 2016, to be allocated for the Maintenance Program.

VDOT's revenues are provided by dedicated state and federal revenue sources. The major state revenues are estimated by the Department of Taxation and are included in the state's official revenue estimate. VDOT continues to estimate federal revenues based upon information received from Federal Highway Administration (FHWA).

Funding for transportation was addressed during the 2013 General Assembly Session by House Bill 2313 (Chapter 766). Estimated revenues for FY 2016 reflect the third year of implementation of major changes to revenue dedicated to transportation. House Bill 1887 from the 2015 General Assembly Session altered the distribution of some revenue sources. Most of the changes will be effective in FY 2017. The budget also includes the regional revenues provided to the Northern Virginia Transportation Authority and the Hampton Roads Transportation Accountability Commission.

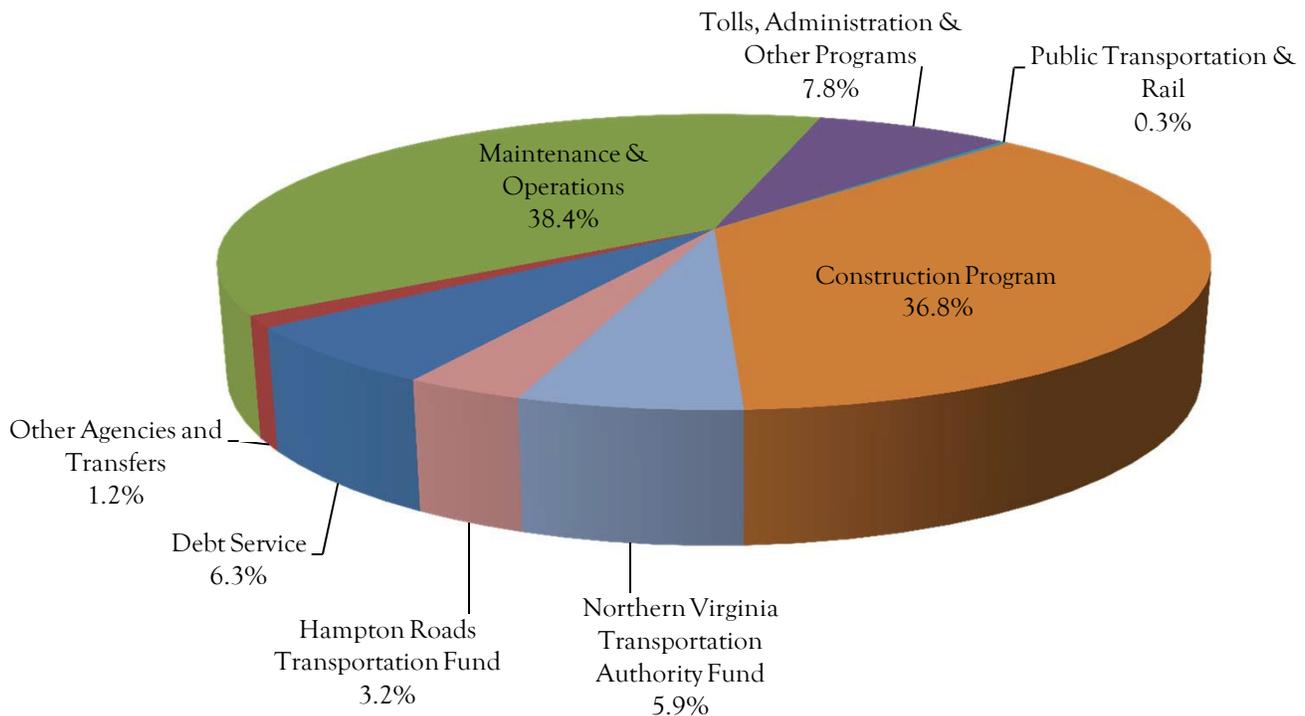
Sources of Transportation Funds



Highway Maintenance and Operating Fund	\$1,964,352,594
Transportation Trust Fund	1,398,546,423
Priority Transportation Fund (PTF)	200,642,261
GARVEE Bonds	375,000,000
Federal Fund	895,349,411
Subtotal	\$4,833,890,689
Pass Through Revenues	
Northern Virginia Transportation Authority Fund	314,881,245
Hampton Roads Transportation Fund	168,642,909
TOTAL	\$5,317,414,843

VDOT's revenues provide funding for debt service, maintenance, administration and construction. This budget reflects the planned use of the revenues available to the agency and also includes the pass through funds to the regions. The following is a summary of the programs by spending category:

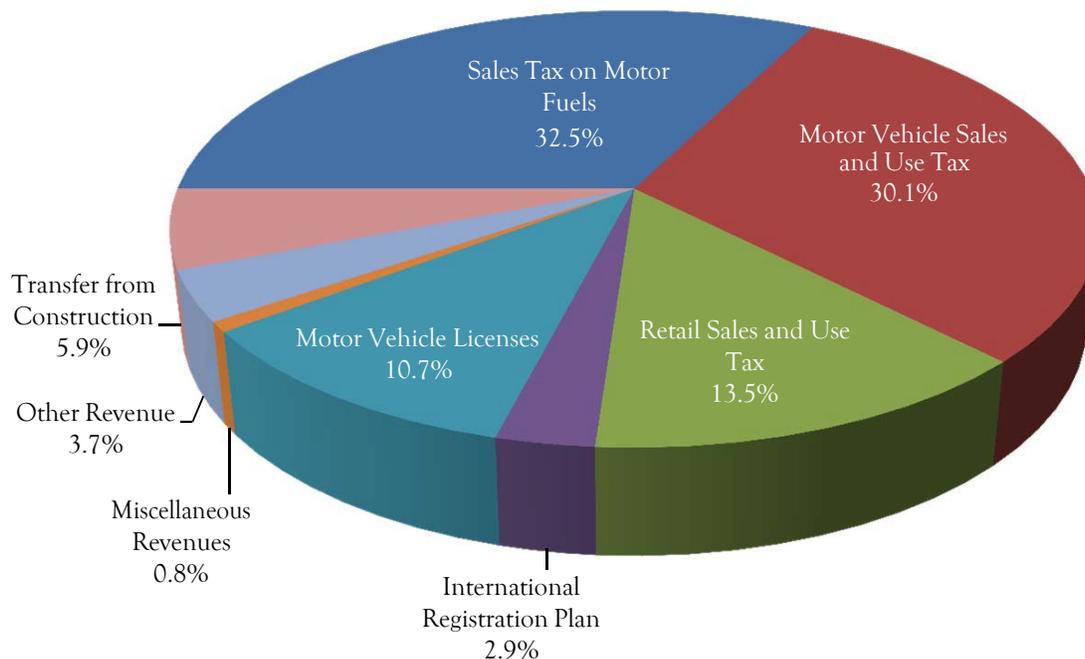
	REVISED FY 2015	FY 2016	INCREASE (DECREASE)
Debt Service	\$334,538,924	\$334,538,924	\$ -
Other Agencies and Transfers	65,541,844	\$65,541,844	-
Maintenance & Operations	2,014,333,429	\$2,044,333,429	30,000,000
Tolls, Administration & Other Programs	415,969,633	\$415,969,633	-
Public Transportation & Rail	14,171,199	\$14,171,199	-
Construction Program	1,959,335,660	\$1,959,335,660	-
Subtotal	\$4,803,890,689	\$4,833,890,689	\$30,000,000
Pass Through Revenues			
Northern Virginia Transportation Authority Fund	314,881,245	314,881,245	-
Hampton Roads Transportation Fund	168,642,909	168,642,909	-
TOTAL	\$5,287,414,843	\$5,317,414,843	\$30,000,000



The Highway Maintenance and Operating Fund (HMOF) is one of VDOT's major funds. It is funded by dedicated state revenues as listed below. The HMOF is intended to provide for the agency's maintenance, operations and administrative needs. Since Fiscal Year 2002, the HMOF has required transfers from the Construction Fund to cover the budgetary needs of the fund.

HMOF Revenue Sources	FY 2016	REVISED FY 2016	Difference
Sales Tax on Motor Fuels	\$678,500,000	\$678,500,000	\$ -
Motor Vehicle Sales and Use Tax	628,300,000	628,300,000	-
Retail Sales and Use Tax	281,700,000	281,700,000	-
International Registration Plan	60,400,000	60,400,000	-
Motor Vehicle Licenses	222,700,000	222,700,000	-
Miscellaneous Revenues	15,700,000	15,700,000	-
Other Revenue	47,052,594	77,052,594	30,000,000
Subtotal	1,934,352,594	1,964,352,594	30,000,000
Transfer from Construction	122,488,551	122,488,551	-
Transfer to Construction for MWA	(100,000,000)	(100,000,000)	-
Total	\$1,956,841,145	\$1,986,841,145	\$30,000,000

HMOF Revenue Sources, Revised FY 2016



The maintenance program consists of:

Interstate Maintenance (604001) - To preserve the public's investment through the delivery of an effective and efficient statewide maintenance program to protect and enhance the transportation infrastructure and the safety of the traveling public.

Primary Maintenance (604002) - To preserve the public's investment through the delivery of an effective and efficient statewide maintenance program to protect and enhance the transportation infrastructure and the safety of the traveling public.

Secondary Maintenance (604003) - To preserve the public's investment through the delivery of an effective and efficient statewide maintenance program to protect and enhance the transportation infrastructure and the safety of the traveling public.

Transportation Operations Services (604004) - To improve mobility, safety, travel time reliability and security on the transportation system through the deployment of a variety of operational strategies including regional smart traffic centers, emergency services, traveler services, congestion management and traffic signalization optimization.

Highway Maintenance Program Management and Direction (604005) - To provide activities related to the management and direction of the program. Adequate and effective management and direction is critical to the success of the program.

HIGHWAY SYSTEM MAINTENANCE (604)	FY 2016	REVISED FY 2016	INCREASE (DECREASE)
Interstate Maintenance (604001)	\$332,135,404	\$338,135,404	\$6,000,000
Primary Maintenance (604002)	452,796,575	465,796,575	13,000,000
Secondary Maintenance (604003)	543,417,236	554,417,236	11,000,000
Transportation Operations Services (604004)	170,056,169	170,056,169	-
Highway Maintenance Program Management & Direction (604005)	75,545,060	75,545,060	-
TOTAL HIGHWAY SYSTEM MAINTENANCE	\$1,573,950,444	\$1,603,950,444	\$30,000,000
HMOF	1,333,307,444	1,363,307,444	30,000,000
FEDERAL	240,643,000	240,643,000	-

Since the Fiscal Year 2016 budgets were approved, the Commonwealth experienced several significant snow events that led to snow removal costs far greater than could have been foreseen. VDOT has identified additional current year revenues dedicated to the Highway Maintenance and Operating Fund that can be made available to the maintenance program in FY 2016 to help offset the increased snow removal costs incurred responding to this year's winter events, in lieu of being allocated in FY 2017, which, in turn, would prevent the delay of scheduled FY 2016 maintenance and operations activities to FY 2017.